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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

FELTEN, DANIEL S

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 08/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/768,817

Applicant(s)

PLATE ET AL.

Examiner

Daniel S. Felten

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 January 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7 and 17-32 is/are rejected.
- 7) ☒ Claim(s) 8-16 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Claim Objections

1. Claims 2, 5, 8 are objected to because of the following informalities:

Re claim 2: Replace "vale" with -value--.

Re claim 5: Replace "os" with -of--.

Re claim 8: Replace "o'" with -of--.

Appropriate correction is required.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The claimed invention is directed to non-statutory subject matter. Claims 1-28 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA

1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In *re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001), non-precedential but cited for its reasoning.

In the present application, Claims 1-28 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The step of communicating a plurality of brand promotions over a network could be performed manually by a person physically delivering the brand promotion to a "network" of chain stores within an area. The term "network" could also include sending the brand promotions through the US Postal network, using a courier service such as UPS to deliver the brand promotions through its network of carriers, etc.. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or electronic network into the communicating steps; for example: defining one or more alternatives over via a computer, or defining one or more alternatives using a computer network.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-7 and 21-28 are rejected under 35 U.S.C. 102(b) as being anticipated by Walker (US 5,794,207).

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As in claim 1, a method for determining one or more matches among one or more bids submitted by one or more participants (see col. 10, ll. 57-59): defining one or more alternatives for at least one of the bids; defining one or more conditions among said one or more alternatives (see “counter offer”, col. 9, ll. 45-51); and determining one or more combinations of said alternatives that satisfy said one or more conditions (see col. 16, ll. 12-45),

As in claim 2, defining at least one first utility for representing a value of at least one of said combinations (see “point value”, col. 16, ll. 12-45),

As in claim 3, defining one or more second utilities for representing a value of said one or more alternatives (see col. 16, ll. 12-45),

As in claim 4, wherein said first utility of said at least one combination is defined as a sum of said one or more second utilities of those of said one or more alternatives that are in said at least one combination (see col. 16, ll. 12-45),

As in claim 5, wherein said sum of said one or more second utilities is a weighed sum (see col. 16, ll. 12-45),

As in claims 6, 17-20, determining at least one of said combinations that is optimal with respect to said at least one first utility (see col. 16, ll. 12-45),

As in claim 7, wherein said determining one or more combinations of said alternatives that satisfy said one or more conditions step comprises the steps of: representing said one or more alternatives and/or said one or more conditions with at least one satisfiability problem and determining at least one solution to said at least one satisfiability problem (see col. 16, ll. 12-45),

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As in claim 21, wherein said bids comprise: one or more requests from one or more products and/or services and one or more responses identifying one or more capabilities of one or more products and/or services (see col. 8, ll. 28+; col. 31, ll. 10+),

As in claim 22, defining one or more attributes for at least one of said bids (see col. 8, 46-56),

As in claim 23, wherein said determining one or more combinations of said alternatives step further comprises the step of: identifying at least two of said alternative that have compatible ones of said attributes; and assigning said identified alternatives to said one or more combinations (see col. 10, ll. 40+; col. 16, ll. 12-45),

As in claim 24, wherein said attributes comprise one or more members of the set consisting of a visibility variable, an owner, a validity period, a negotiation timeout, a confirmation indicator, a manual indicator, a pre-execution explosion indicator, an execution explosion indicator (see col. 13, ll. 1+),

As in claim 25, wherein said attributes comprise one or more specifications (see col. 8, ll. 46-56),

As in claim 26, wherein said one or more specifications comprise one or more members of the set consisting of stock keeping unit (SKU), a quantity, a delivery time window, a quality guarantee, a quality requirement, a fulfillment guarantee, a fulfillment penalty, a contract identifies, a price and a supplier restriction (see col. 8, ll. 42-56),

As in claims 27, wherein said one or more conditions comprise one or more links between one or more groups of said alternative identifying relations between said alternatives within said group (see col. 9, ll. 1-30),

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As in claim 28, wherein said relations comprise at least one compatibility relation (see col. 16, ll. 12-45),

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 29-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker (US 5,794,207). Walker discloses all the limitations presented in the aforementioned claims.

Walker fails to explicitly disclose software code to perform the limitations of claims 29 and 30. However, Walker discloses optical storage units, CD-ROM drives, flash memory, etc., that are used in the processing of transactions (see col. 12, ll. 54+). It would have been obvious for an artisan at the time of the invention to recognize that computer executable code is used in the processing of these transactions because it obvious that a computer would only be able to process data stored within the aforementioned devices via a set of instructions (program) on how to manage the data in these devices. Moreover, since Walker discloses that the central server can be a web server (see col. 15, ll. 46+). One of ordinary skill in the art would be familiar with the term Common Gateway Interface (CGI) or "script" which allows the Web server to communicate with CGI applications. CGI applications can be written in different computer

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program languages (Perl, C, C++ etc.), to receive data from the Web server and return various data via the CGI. An artisan at the time of the invention of Walker would have understood the use of CGI and CGI applications within the context of network applications and have used such technology via the Internet to perform the aforementioned processes between buyers and the sellers. Thus to use computer software to perform various matching transactions would have been an obvious expedient well within the ordinary skill in the art.

Allowable Subject Matter

6. Claims 8-16 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

7. The following is a statement of reasons for the indication of allowable subject matter: The prior art of record does not teach the particularly defined variables of claims 8-16.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel S. Felten whose telephone number is (703) 305-0724. The examiner can normally be reached on Flex.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Daniel S Felten
Examiner
Art Unit 3624

DSF
August 02, 2005

VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600

